

Message Text

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16

ORIGIN ARA-10

INFO OCT-01 ISO-00 PRS-01 PA-02 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00

FEA-01 /107 R

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L - MR. SCHWEBEL (INFO)

EB:OIA - MR. BRODERICK (INFO)

EB:FSE - MR. HART (INFO)

S:PRS - MR. FUNSETH

----- 085750

R 032320Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

UNCLAS STATE 209605

E.O. 11652: N/A

TAGS: PFOR, ENRG, VE

SUBJECT: PRESS GUIDANCE ON VENEZUELAN OIL NATIONALIZATION

1. FOLLOWING GUIDANCE PREPARED FOR THE DEPARTMENT SPOKES-
MAN AT THE NOON PRESS BRIEFING AUGUST 29 AND SEPTEMBER 2,
ALTHOUGH NO QUESTIONS WERE ASKED: QUOTE:

Q: DOES THE REPORTED VENEZUELAN GOVERNMENT COMPENSATION
OFFER OF \$1.2 BILLION TO THE FOREIGN OIL COMPANIES
REPRESENT A FAIR PRICE? DOES IT MEET THE USG CRITERIA
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OF AN ADEQUATE AND PROMPT COMPENSATION?

A: UNTIL THE GOVERNMENT AND THE COMPANIES COMPLETE CURRENT NEGOTIATIONS AND ALL FINAL DETAILS BECOME KNOWN, WE ARE NOT IN A POSITION TO COMMENT.

Q: HOW DOES THE NATIONALIZATION AFFECT THE CONTINUED SUPPLY OF VENEZUELAN OIL TO THE US, ESPECIALLY AS THE GOV IS QUITE CONCERNED ABOUT EXHAUSTION OF ITS RESERVES?

A: THE VENEZUELAN GOVERNMENT HAS EXPRESSED ITS INTENT OF FULFILLING AS IT HAS ALWAYS DONE ARRANGEMENTS TO SUPPLY TRADITIONAL MARKETS.

Q: ARE THE COMPANIES GOING TO ACCEPT THE VENEZUELAN GOVERNMENT COMPENSATION OFFER? HOW WILL THE PAYMENT BE MADE?

A: THESE ARE QUESTIONS FOR THE COMPANIES AND THE VENEZUELAN GOVERNMENT, RESPECTIVELY.

(FYI: THE NATIONALIZATION WILL BE EFFECTED JANUARY 1, 1976. THE NATIONALIZATION BILL CALLS FOR A FORMAL GOVERNMENT COMPENSATION OFFER TO BE MADE TO THE COMPANIES FORTY-FIVE DAYS AFTER AUGUST 29 WHEN THE BILL IS TO BE SIGNED INTO LAW. THE BILL STIPULATES THAT PAYMENT IS TO BE MADE IN COMPENSATION BONDS, THE NATURE OF WHICH IS YET TO BE DETERMINED BY THE VENEZUELAN GOVERNMENT. END FYI.)

Q: WILL AMBASSADOR SHLAUDEMANN (US AMBASSADOR TO VENEZUELA) ATTEND THE SIGNING CEREMONY?

A: YES, ALONG WITH OTHER MEMBERS OF THE CARACAS DIPLOMATIC CORPS. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, NATIONALIZATION, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE209605
Document Source: CORE
Document Unique ID: 00
Drafter: NC:TWSONANDRES
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750305-0620
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750986/aaaacyvm.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAR 2003 by MaustMC>; APPROVED <13 JAN 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS GUIDANCE ON VENEZUELAN OIL NATIONALIZATION
TAGS: PFOR, ENRG, VE
To: CARACAS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006